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UNITED STATES DEPARTMENT OF AGRICULTURE
EXTENSION SERVICE
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THE BALANCE SHEET OF AGRICULTURE 1945 *
(Prices as of January 1)

Reserve

Synopsis by James F. Miles, Economics Section

The value of agricultural physical goods has increased from 49 to 74 billion dollars from 1940 to 1945, with an increase of 5 billion dollars during 1944 alone. Increases in the valuation of physical assets are due mainly to higher prices. Continued high farm income is the most significant factor in the balance sheet. Financial assets increased from 5 to 17 billion dollars from 1940 to 1945, or 3½ billion dollars in 1944 alone.

Production for market and home consumption was 6 percent higher in 1944 than in 1943 and more than a fifth greater than in 1940. Total agricultural production is up 36 percent from the 1935-39 level. Crops are up 29 percent, and livestock and products are up 41 percent. Cash receipts from farm marketings increased from 8.3 to 19.8 billion dollars from 1940 to 1945, or 500 million dollars in 1944 alone. Larger production accounts for most of these increases, since composite prices changed very little in 1944.

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Total assets were 10 times greater than total indebtedness on January 1, 1945. Financial assets were 1.9 times the total debt. Farmers' equity in the physical and financial assets of agriculture were 90 percent and creditors' claims only one-tenth of the total value of these assets.

Real Estate. Real estate, the farmer's largest asset, is now valued at 50 billion dollars. This valuation increased 11 percent in 1944, or 4.7 billion dollars. Land values are highest now since 1920. Greatest increases in land values in 1944 were 14 percent in the Southeast and Pacific regions, and 13 percent in the Appalachian and Delta regions. For the United States, the per acre values are 50 percent higher than in 1940.

Non-Real Estate Assets. Non-real estate physical inventories decreased from 1944 to 1945, but are considerably higher than in any year since 1940. Livestock, estimated at 8.9 billion dollars on January 1, 1945, was 7 percent lower than in 1944. The value of crops and the value of machinery and vehicles increased, but household equipment decreased. Total non-real estate inventories increased in 6 regions (Northeast, Lake States, Great Plains, Texas-Oklahoma, Appalachian and Delta States) and decreased in 4 regions (Corn Belt, Mountain, Southeast, and Pacific). Cattle numbers decreased from 82.4 to 81.8 million in 1944. The value per head was \$1.39 less. Milk cows decreased \$2.75 a head, and there were 129,000 more than in the previous year. Hog numbers decreased 23 million in 1944, and their value per head went up \$3.27. Chickens decreased 65 million from 1944 to 1945, and their value per head increased 4 cents. Horses and mules decreased about 4 percent. Values dropped over 21 percent for horses and 10 percent for mules. Sheep numbers fell off 7.5 percent and the value per head 2 percent.

* This synopsis was prepared for extension agents and others engaged in educational work with farm people. The supply of the processed edition of the complete report prepared by B.A.E. is exhausted, but the printed edition will be available in about 60 days.

The value of crops held as inventory on January 1, 1945, was 5,814 million dollars or 250 million more than a year earlier. Tobacco showed the greatest increase--from 178 to 267 million dollars. Grain, hay, forage, cotton, broomcorn, and hayseed increased also. Oil crops decreased 7 percent and vegetables fell off 8.7 percent because of declines in prices and quantities. The value of all farm machinery, tractors, trucks, etc., increased. The value of household furnishings dropped 44 million dollars between January 1, 1944, and January 1, 1945, dollars. Cotton increased from

Financial Assets. The estimated value of warehouse receipts increased from 515.1 to 618.4 million dollars during 1944. The receipts from wheat increased from 90.9 to 176.3 million dollars. Cotton increased from 422.9 to 440.8 million dollars.

Bank deposits by farmers in 1944 increased from 6,463 to 7,969 million dollars, a gain of 1,506 million dollars. Farmers' deposits have increased 171 percent from 1940 to 1945. Farmers' cash income was almost $2\frac{1}{2}$ times as large as in 1940. There are 5.4 billion dollars in demand deposits and 2.5 billion dollars in time deposits. Farmers' currency holdings are estimated at 3.7 billion dollars, a half billion dollars larger than last year.

United States savings bonds owned by farmers in 1945 have an estimated cash value of 3,910 million dollars, an increase of 1,550 million dollars, or 66 percent for the year. Farmers' bonds per capita average from \$64 in the Delta States to \$225 in the Pacific States.

Farmers' equity in cooperative associations was about 660 million dollars before the war. Recent information is not available, but it is likely to be much higher now.

Farm Real Estate Debt. The farm real estate debt was estimated at 5,271 million dollars on January 1, 1945, 364 million dollars less than a year earlier. The debt is less than half what it was (10,786 million dollars) in 1923. The largest debt reductions from 1940 to 1945 have occurred in the Great Plains and Mountain States--36.3 and 32.7 percent respectively. Smallest decreases were in the Delta States and the Southeast--6.8 and 10.4 percent respectively. The Great Plains reduction was 13.8 percent in 1944 alone.

The total farm-mortgage debt decreased 20 percent from 1940 to 1945 and 6.5 percent last year. Since 1940 all farm mortgages have decreased except those held by Farm Security Administration, and they have increased 364 percent, or 1.3 percent during the last year.

Non-Real Estate Debt. Loans to farmers of commercial banks and Federal agencies (excluding CCC nonrecourse loans) totaled 1,588 million dollars on January 1, 1945, a decline of 66 million dollars or 4 percent for the year. The non-real estate debt is less than in World War I. Commodity Credit loans are primarily to support prices. On January 1, 1945, these loans amounted to 961 million dollars or nearly one quarter of the total non-real estate debt of farmers. Farmers have no personal liability in these loans, however.